

2. MAYORAL BUDGET SPEECH

On 31 March 2009 we tabled our 2009/2010 Draft Budget. We also tabled a review on our 2009/2010 (IDP) the Integrated Development Plan. The Draft Review on our IDP is important because it raises all the projects that were planned over this Council's 5-year political mandate from the planning to the implementation stage. For implementation, we need to ensure that the projects falling within our 2009/2010 budget year are fully funded for them to be implemented.

The new Local Government: Municipal Property Rates Act, No. 6 of 2004 will be implemented by all municipalities in South Africa with effect from 01 July 2009. The implementation of this Act depends on specific process having taken place in preparation to the July 2009 deadline. As Mkhondo, we tabled to Council the required MPRA implementation plan and are convinced that, come the 01st July 2009, we will be able to fully implement and comply with the Act.

Electricity Tariffs Increase

Eskom has also proposed to increase electricity tariffs by 34% in the very foreseeable future. As we all know, the challenges faced by our country currently with regard to the economic recession which we never thought about. The increase in electricity tariffs may be too much for the consumers in general, which the forces the Council to absorb some effects of the increase and propose to pass only 30% of the increase to the consumers. This therefore means that electricity will have to be increased by only 30% come July 2009.

Salary Increase

The National Bargaining Council negotiated with the Employee Representatives to have the general salary increase set at around 10.6 % for the 2009/2010 financial year. As soon as there's agreement, that percentage increase will be absorbed by this Council and be filtered into the rates income for funding.

It is therefore imperative that the rates income get adjusted so as to enable this Council to continue paying salaries and manage its service delivery objectives on course and without any hindrance. We have embarked on a one-month intensive Public Participation Programme in an effort to make sure that the budget that is being tabled here today for approval is informed by all stakeholders, especially the people whose lives we have to improve. This will need us to constantly monitor the budget and IDP implementation an issue an evaluation by way of our next Mid-Term Budget Implementation and Performance Assessment Report.

The expenditure challenge faced by this municipality, especially on capital projects, will no doubt be dealt with as soon as the Councillors and Officials recognize their supporting roles on each other's responsibilities. This will ensure that 2009/2010 expenditure targets are met without too much of an effort. This can only happen as soon as honourable Councillors recommit themselves into taking full charge of their various portfolios, and monitor the implementation of the 2009/2010 budget as part of their fiscal responsibility.

I would like to take this opportunity to thank all the Portfolio Committees with a special emphasis on the Finance Portfolio Committee, the Management Team and all other role-players for their contributions and participation in the budget process that resulted into this Operational and Capital Budget Estimates for the Financial Year 2009/2010.

To the members of the Public that braved cold nights and early mornings to attend our consultative meetings, we would not have been able to table this Budget if you did not attend those meetings. Your tremendous support did not go unnoticed. I thank you very much, all of you!! Please ensure that you mobilize more people to attend the next consultative meetings.

I would like to close-off my commentary by reminding you that the technological trends and the new economic rules of the game are changing the world of work and the way organizations function. In order for us to be efficient and effective in the new context we need to take cognizance of these changes.

I thank you!

**Mary B. Khumalo
Executive Mayor
Mkhondo Municipality**

SCHEDULE 1 REVENUE BY SOURCE	Preceding Year 2007/08	Current Year 2008/09			Medium Term Revenue and Expenditure Framework		
	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
					Budget	Budget	Budget
	A	B	C	D	E	F	G
<u>Operating Revenue by Source</u>							
Property rates	(12 969 013)	(12 969 013)	(12 969 013)	(12 969 013)	(24 008 814)	(25 401 326)	(26 747 596)
Property rates - penalties imposed and collection charges							
Service charges - electricity revenue from tariff billing	(39 401 381)	(39 401 381)	(39 401 381)	(39 401 381)	(45 659 879)	(48 308 152)	(50 868 485)
Service charges - water revenue from tariff billings	(7 393 307)	(7 393 307)	(7 393 307)	(7 393 307)	(7 637 442)	(8 080 414)	(8 508 676)
Service charges - sanitation revenue from tariff billing	(4 710 082)	(4 710 082)	(4 710 082)	(4 710 082)	(5 067 816)	(5 101 524)	(5 371 905)
Service charges - refuse removal from tariff billings	(4 958 186)	(4 958 186)	(4 958 186)	(4 958 186)	(4 958 186)	(5 354 841)	(5 783 228)
Service charges - other	(1 854 047)	(1 854 047)	(1 854 047)	(1 854 047)	(1 854 047)	(2 002 370)	(2 162 560)
Rental of facilities and equipment	(1 494 670)	(1 494 670)	(1 494 670)	(1 494 670)	(1 323 143)	(3 614 244)	(3 743 384)
Sundries - administrative	(313 000)	(313 000)	(313 000)	(313 000)	(313 000)	(338 040)	(365 083)
Sale of pine & other wooden products	(14 163 388)	(14 163 388)	(14 163 388)	(14 163 388)	(13 902 075)	(14 666 075)	(15 443 377)
Sundries	(2 128 419)	(2 128 419)	(2 128 419)	(2 128 419)	(2 128 419)	(2 298 692)	(2 482 588)
Penalties & Testing of meters	(135 410)	(135 410)	(135 410)	(135 410)	(135 410)	(160 881)	(173 751)
Interest earned - external investments	(1 780 758)	(1 780 758)	(1 780 758)	(1 780 758)	(1 291 029)	(1 725 909)	(1 438 302)
Interest earned - outstanding debtors	(108 000)	(108 000)	(108 000)	(108 000)	(108 000)	(116 640)	(199 844)
Interest earned - Sundry debtors	(607 684)	(607 684)	(607 684)	(607 684)	(607 684)	(665 106)	(708 802)
Fines	(1 734 248)	(1 734 248)	(1 734 248)	(1 734 248)	(2 352 640)	(2 489 093)	(2 621 015)
Licenses and permits	(1 216 264)	(1 216 264)	(1 216 264)	(1 216 264)	(1 216 264)	(1 313 565)	(1 418 650)
Income for agency services	(2 045 213)	(2 045 213)	(2 045 213)	(2 045 213)	(2 045 213)	(2 208 830)	(2 385 537)
Government grants & subsidies	(45 941 742)	(45 941 742)	(45 941 742)	(45 941 742)	(61 768 659)	(63 186 454)	(66 443 380)
Public contributions & donated or contributed PPE							
Gain on disposal of property plant and equipment							
Total Revenue By Source	(142 954 810)	(142 954 810)	(142 954 810)	-142 954 810	(176 377 719)	(187 032 157)	(196 866 163)

Column Definitions:

- A. The audited actual for 2007/08 as per the audited financial statements. If audit figures are not available for 2007/08, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2008/09 budget year.
- C. The budget for 2008/09 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
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- E. The amount to be appropriated for the 2008/09 budget year.
- F. The indicative projection for 2009/10
- G. The indicative projection for 2010/11

SCHEDULE 2 OPERATING EXPENDITURE BY VOTE	Preceding Year 2007/08	Current Year 2008/09			Medium Term Revenue and Expenditure Framework		
	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
					Budget	Budget	Budget
	A	B	C	D	E	F	G
Assesment Rates	2 304 000	2 333 146	2 333 146	2 333 146	8 325 380	8 812 178	9 293 791
Roads & Pub Works	12 401 228	15 564 850	15 564 850	15 564 850	16 121 659	17 198 107	18 336 139
Fixed Property	200 370	213 504	213 504	213 504	218 125	230 776	243 007
Council General	13 442 015	20 357 313	20 357 313	20 357 313	30 098 161	32 093 658	34 151 979
Corporate Services	6 372 110	6 122 172	6 122 172	6 122 172	-9 147 209	-9 571 214	-10 023 222
Refuse Removal	2 767 466	2 778 018	2 778 018	2 778 018	5 110 416	5 450 165	5 804 796
Health Services	1 942 453	2 057 605	2 057 605	2 057 605	3 240 837	3 455 101	3 682 438
Municipal Manager	1 480 710	1 854 667	1 854 667	1 854 667	1 819 064	1 958 801	2 107 989
Licencing	1 010 775	1 071 111	1 071 111	1 071 111	3 246 649	3 461 480	3 689 207
Financial Services	18 731 715	17 758 286	17 758 286	17 758 286	13 036 884	13 916 388	14 817 470
Town Engineer	2 135 086	2 780 727	2 780 727	2 780 727	4 001 072	4 254 469	4 508 235
Traffic	4 299 480	4 745 963	4 745 963	4 745 963	6 995 541	7 501 098	8 036 160
Administrative Offices	2 015 300	2 378 809	2 378 809	2 378 809	2 618 257	2 785 000	2 952 676
Clinic	434 756	1 224 484	1 224 484	1 224 484	1 398 214	1 493 857	1 592 312
Cemetary	467 531	577 517	577 517	577 517	632 312	680 411	731 765
Library	493 170	779 764	779 764	779 764	905 625	976 355	1 052 230
Fire Brigade Services	1 032 671	2 055 309	2 055 309	2 055 309	2 426 243	2 599 075	2 779 385
Hostels	136 215	-71 785	-71 785	-71 785	384 886	414 132	445 257
Parks & Recreation	2 428 395	2 464 146	2 464 146	2 464 146	3 554 120	3 793 537	4 044 523
Official Housing	44 200	49 469	49 469	49 469	47 812	50 585	53 266
Stores	13 104	149 423	149 423	149 423	445 650	479 838	516 324
Cleansing	3 082 231	2 758 107	2 758 107	2 758 107	3 618 409	3 894 613	4 188 953
Estates				0			
Afforestation	9 773 231	11 670 137	11 670 137	11 670 137	14 981 019	15 924 677	16 876 230
Sewerage	3 654 985	3 070 417	3 070 417	3 070 417	2 766 935	2 959 489	3 159 371
Housing - Economic				0			
Housing - Sub Economic	35 180	42 536	42 536	42 536	46 223	49 520	52 965
Electricity	27 567 942	31 603 044	31 603 044	31 603 044	48 794 867	51 643 948	54 459 422
Water	5 278 927	6 566 068	6 566 068	6 566 068	12 731 644	13 534 995	14 357 624
Min elders gedebiteer					-2 048 228	-3 035 407	-5 098 372
OPERATING EXPENDITURE BY VOTE	123 545 246	142 954 807	142 954 807	142 954 807	176 370 565	187 005 628	196 811 920

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- E. The amount to be appropriated for the 2008/09 budget year.
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SCHEDULE 3(a)	3	Preceding Year 2007/08	Current Year 2008/09			Medium Term Revenue and Expenditure Framework		
						Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
		Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget	Budget	Budget
CAPITAL EXPENDITURE BY GFS		A	B	C	D	E	F	G
Executive & Council			3 350 000	3 350 000	3 350 000	2 789 753	1 610 000	1 500 000
Finance & Admin			11 670 000	11 670 000	11 670 000	1 550 000	3 130 000	3 000 000
Planning & Development	1 768 000				-			
Health					-			
Community & Social Services			2 580 000	2 580 000	2 580 000	0	876 000	
Housing					-			
Public Works	7 180 000		16 303 250	16 303 250	16 303 250			
Sport and Recreation					-			
Rural Areas					-			
Cleaning & Sewerage	1 000 000		839 951	839 951	839 951	2 000 000	7 070 000	8 120 000
Waste Water Management					-			
Afforestation					-	1 425 494	806 500	1 224 000
Water	44 116 000		37 848 799	37 848 799	37 848 799	3 430 000	2 850 000	7 930 000
Electricity			1 185 000	1 185 000	1 185 000	8 000 000	12 400 000	15 250 000
Public Safety			2 110 000	2 110 000	2 110 000	1 070 000	1 500 000	3 950 000
Parks			1 300 000	1 300 000	1 300 000	529 500	1 235 000	870 000
CAPITAL EXPENDITURE BY VOTE		54 064 000	77 187 000	77 187 000	77 187 000	20 794 747	31 477 500	41 844 000

SCHEDULE 4 CAPITAL FUNDING BY SOURCE	Preceding Year 2007/08	Current Year 2008/09			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
					Budget R'000 E	Budget R'000 F	Budget R'000 G
National Government							
MIG	21 781	29 259	34 612	34 612	36 185	42 547	36 528
Specific Purpose : IG Municipal Drought Relief							
Amounts carried over from previous years	14 509				-	-	
Total Grants & Subsidies - National Government	36 290	29 259	34 612	34 612	36 185	42 547	36 528
Provincial Government							
Amounts allocated / gazetted for that year							
Amounts carried over from previous years							
Total Grants & Subsidies - Provincial Government	-	-			-	-	
District Municipality							
Amounts allocated for that year	13 000	24 649			13 714	13 715	13 714
Amounts carried over from previous years							
Total Grants & Subsidies - District Municipalities	13 000	24 649			13 714	13 715	13 714
Total Government Grants & Subsidies	49 290	53 908	34 612		49 899	56 262	50 242
Public Contributions & Donations	980	600					
Accumulated Surplus (Own Funds)	3 788	23 000	4 175		20 794	17 763	28 130
External Loans							
TOTAL FUNDING OF CAPITAL EXPENDITURE	54 058	77 508	38 787	-	70 693	74 025	78 372

Column Definitions:

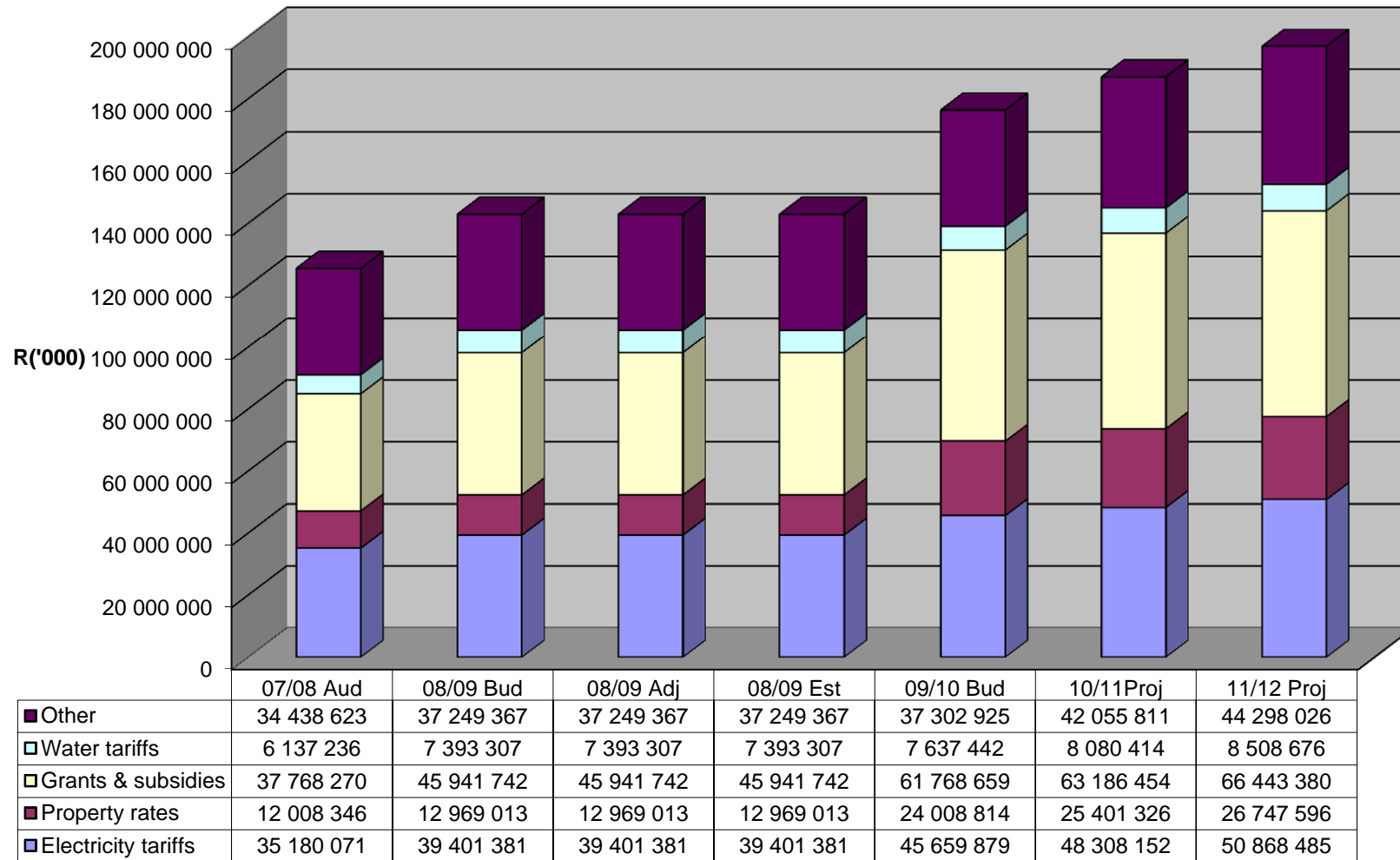
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- F. The indicative projection for 2010/11
- G. The indicative projection for 2011/12

TABLE 1 REVENUE BY SOURCE	Preceding Year 2007/08	Current Year 2008/09			Medium Term Revenue and Expenditure Framework		
	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
					Budget	Budget	Budget
	A	B	C	D	E	F	G
<u>Revenue by Source</u>							
Property rates	-12 008 346	(12 969 013)	(12 969 013)	(12 969 013)	(24 008 814)	(25 401 326)	(26 747 596)
Property rates - penalties imposed and collection charges	0						
Service charges - electricity revenue from tariff billings	-35 180 071	(39 401 381)	(39 401 381)	(39 401 381)	(45 659 879)	(48 308 152)	(50 868 485)
Service charges - water revenue from tariff billings	-6 137 236	(7 393 307)	(7 393 307)	(7 393 307)	(7 637 442)	(8 080 414)	(8 508 676)
Service charges - sanitation revenue from tariff billings	-4 361 187	(4 710 082)	(4 710 082)	(4 710 082)	(5 067 816)	(5 101 524)	(5 371 905)
Service charges - refuse removal from tariff billings	-4 590 913	(4 958 186)	(4 958 186)	(4 958 186)	(4 958 186)	(5 354 841)	(5 783 228)
Service charges - other	-1 652 628	(1 854 047)	(1 854 047)	(1 854 047)	(1 854 047)	(2 002 370)	(2 162 560)
Rental of facilities and equipment	-1 383 954	(1 494 670)	(1 494 670)	(1 494 670)	(1 323 143)	(3 614 244)	(3 743 384)
Sundries - administrative	-289 815	(313 000)	(313 000)	(313 000)	(313 000)	(338 040)	(365 083)
Sale of pine & other wooden products	-13 114 248	(14 163 388)	(14 163 388)	(14 163 388)	(13 862 075)	(14 666 075)	(15 443 377)
Sundries	-1 970 758	(2 128 419)	(2 128 419)	(2 128 419)	(2 168 419)	(2 298 692)	(2 482 588)
Penalties & Testing of meters	-137 929	(135 410)	(135 410)	(135 410)	(135 410)	(160 881)	(173 751)
Interest earned - external investments	-1 648 850	(1 780 758)	(1 780 758)	(1 780 758)	(1 291 029)	(1 725 909)	(1 438 302)
Interest earned - outstanding debtors	-100 000	(108 000)	(108 000)	(108 000)	(108 000)	(116 640)	(199 844)
Interest earned - Sundry debtors	-562 670	(607 684)	(607 684)	(607 684)	(607 684)	(665 106)	(708 802)
Fines	-1 605 785	(1 734 248)	(1 734 248)	(1 734 248)	(2 352 640)	(2 489 093)	(2 621 015)
Licenses and permits	-1 126 170	(1 216 264)	(1 216 264)	(1 216 264)	(1 216 264)	(1 313 565)	(1 418 650)
Income for agency services	-1 893 716	(2 045 213)	(2 045 213)	(2 045 213)	(2 045 213)	(2 208 830)	(2 385 537)
Government grants & subsidies	-37 768 270	(45 941 742)	(45 941 742)	(45 941 742)	(61 768 659)	(63 186 454)	(66 443 380)
	0						
	0						
Total Revenue By Source	(125 532 546)	(142 954 810)	(142 954 810)	(142 954 810)	(176 377 719)	(187 032 157)	(196 866 163)

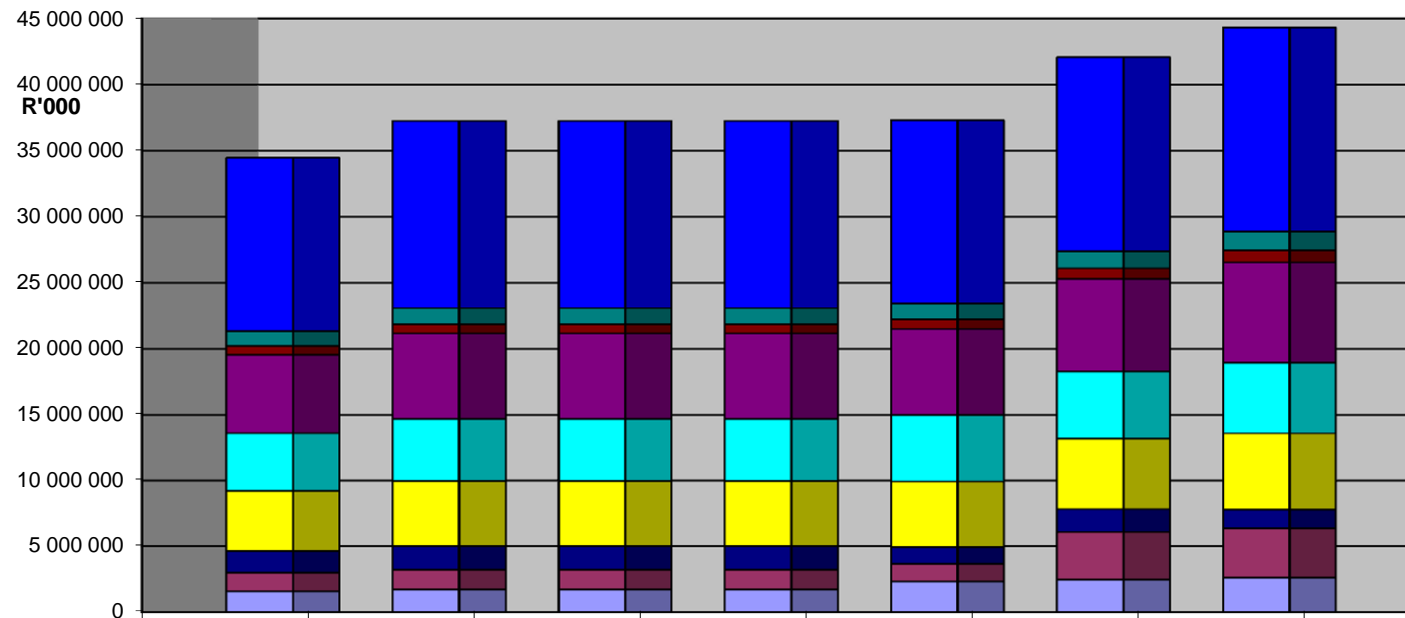
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- C. The budget for 2008/09 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Revenue by Major Source (see next chart for break down of other)



Revenue By Minor Source (break down of other from previous chart)



	06/07 Aud	07/08 Bud	07/08 Adj	07/08 Est	08/09 Bud	09/10 Proj	10/11 Proj
■ Sale of pine & other wooden products	13 114 248	14 163 388	14 163 388	14 163 388	13 862 075	14 666 075	15 443 377
■ Licenses and permits	1 126 170	1 216 264	1 216 264	1 216 264	1 216 264	1 313 565	1 418 650
■ Interest earned - outstanding debtors	662 670	715 684	715 684	715 684	715 684	781 746	908 646
■ Other service charges	5 944 846	6 476 088	6 476 088	6 476 088	6 516 088	7 008 814	7 569 519
■ Sanitation tariffs	4 361 187	4 710 082	4 710 082	4 710 082	5 067 816	5 101 524	5 371 905
■ Refuse tariffs	4 590 913	4 958 186	4 958 186	4 958 186	4 958 186	5 354 841	5 783 228
■ Interest earned - external investments	1 648 850	1 780 758	1 780 758	1 780 758	1 291 029	1 725 909	1 438 302
■ Rental of facilities and equipment	1 383 954	1 494 670	1 494 670	1 494 670	1 323 143	3 614 244	3 743 384
■ Fines	1 605 785	1 734 248	1 734 248	1 734 248	2 352 640	2 489 093	2 621 015

TABLE 2 OPERATING EXPENDITURE BY VOTE	Preceding Year 2007/08	Current Year 2008/09			Medium Term Revenue and Expenditure Framework		
	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
					Budget	Budget	Budget
	A	B	C	D	E	F	G
Assesment Rates	2 304 000	2 333 146	2 333 146	2 333 146	8 325 380	8 812 178	9 293 791
Roads & Pub Works	12 401 228	15 564 850	15 564 850	15 564 850	16 121 659	17 198 107	18 336 139
Fixed Property	200 370	213 504	213 504	213 504	218 125	230 776	243 007
Council General	13 442 015	20 357 313	20 357 313	20 357 313	30 098 161	32 093 658	34 151 979
Corporate Services	6 372 110	6 122 172	6 122 172	6 122 172	-9 147 209	-9 571 214	-10 023 222
Refuse Removal	2 767 466	2 778 018	2 778 018	2 778 018	5 110 416	5 450 165	5 804 796
Health Services	1 942 453	2 057 605	2 057 605	2 057 605	3 240 837	3 455 101	3 682 438
Municipal Manager	1 480 710	1 854 667	1 854 667	1 854 667	1 819 064	1 958 801	2 107 989
Licencing	1 010 775	1 071 111	1 071 111	1 071 111	3 246 649	3 461 480	3 689 207
Financial Services	18 731 715	17 758 286	17 758 286	17 758 286	13 036 884	13 916 388	14 817 470
Town Engineer	2 135 086	2 780 727	2 780 727	2 780 727	4 001 072	4 254 469	4 508 235
Traffic	4 299 480	4 745 963	4 745 963	4 745 963	6 995 541	7 501 098	8 036 160
Administrative Offices	2 015 300	2 378 809	2 378 809	2 378 809	2 618 257	2 785 000	2 952 676
Clinic	434 756	1 224 484	1 224 484	1 224 484	1 398 214	1 493 857	1 592 312
Cemetery	467 531	577 517	577 517	577 517	632 312	680 411	731 765
Library	493 170	779 764	779 764	779 764	905 625	976 355	1 052 230
Fire Brigade Services	1 032 671	2 055 309	2 055 309	2 055 309	2 426 243	2 599 075	2 779 385
Hostels	136 215	-71 785	-71 785	-71 785	384 886	414 132	445 257
Parks & Recreation	2 428 395	2 464 146	2 464 146	2 464 146	3 554 120	3 793 537	4 044 523
Official Housing	44 200	49 469	49 469	49 469	47 812	50 585	53 266
Stores	13 104	149 423	149 423	149 423	445 650	479 838	516 324
Cleansing	3 082 231	2 758 107	2 758 107	2 758 107	3 618 409	3 894 613	4 188 953
Estates				0			
Afforestation	9 773 231	11 670 137	11 670 137	11 670 137	14 981 019	15 924 677	16 876 230
Sewerage	3 654 985	3 070 417	3 070 417	3 070 417	2 766 935	2 959 489	3 159 371
Housing - Economic				0			
Housing - Sub Economic	35 180	42 536	42 536	42 536	46 223	49 520	52 965
Electricity	27 567 942	31 603 044	31 603 044	31 603 044	48 794 867	51 643 948	54 459 422
Water	5 278 927	6 566 068	6 566 068	6 566 068	12 731 644	13 534 995	14 357 624
Min elders gedebiteer					-2 048 228	-3 035 407	-5 098 372
OPERATING EXPENDITURE BY VOTE	123 545 246	142 954 810	142 954 810	142 954 810	176 370 565	187 005 628	196 811 920

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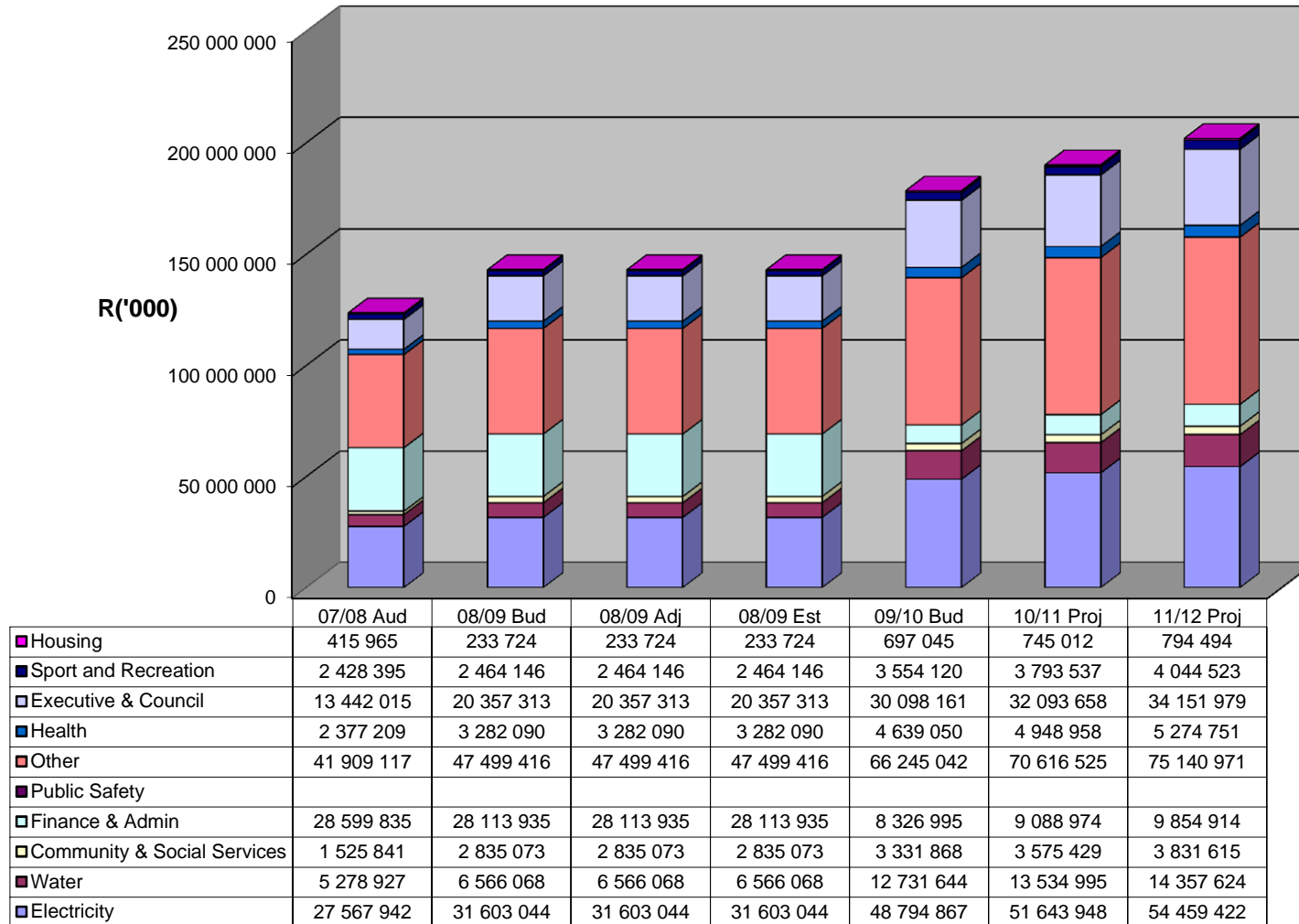
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E. The amount to be appropriated for the 2008/09 budget year.

F. The indicative projection for 2009/10

G. The indicative projection for 2010/11

Operating Expenditure by Major Vote (see next chart for breakdown of other)



Operating Expenditure by Minor Vote (breakdown of other from previous chart)

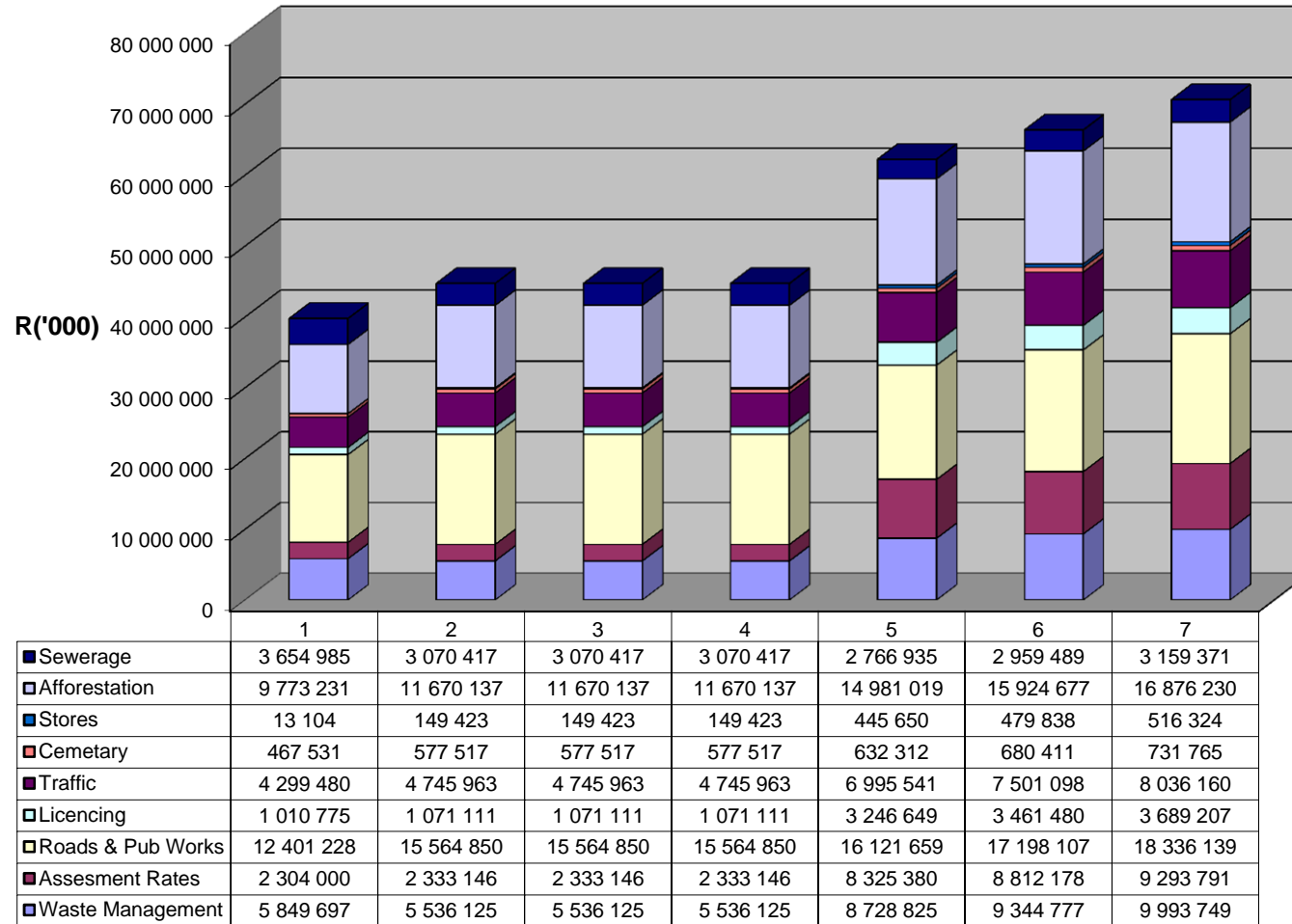
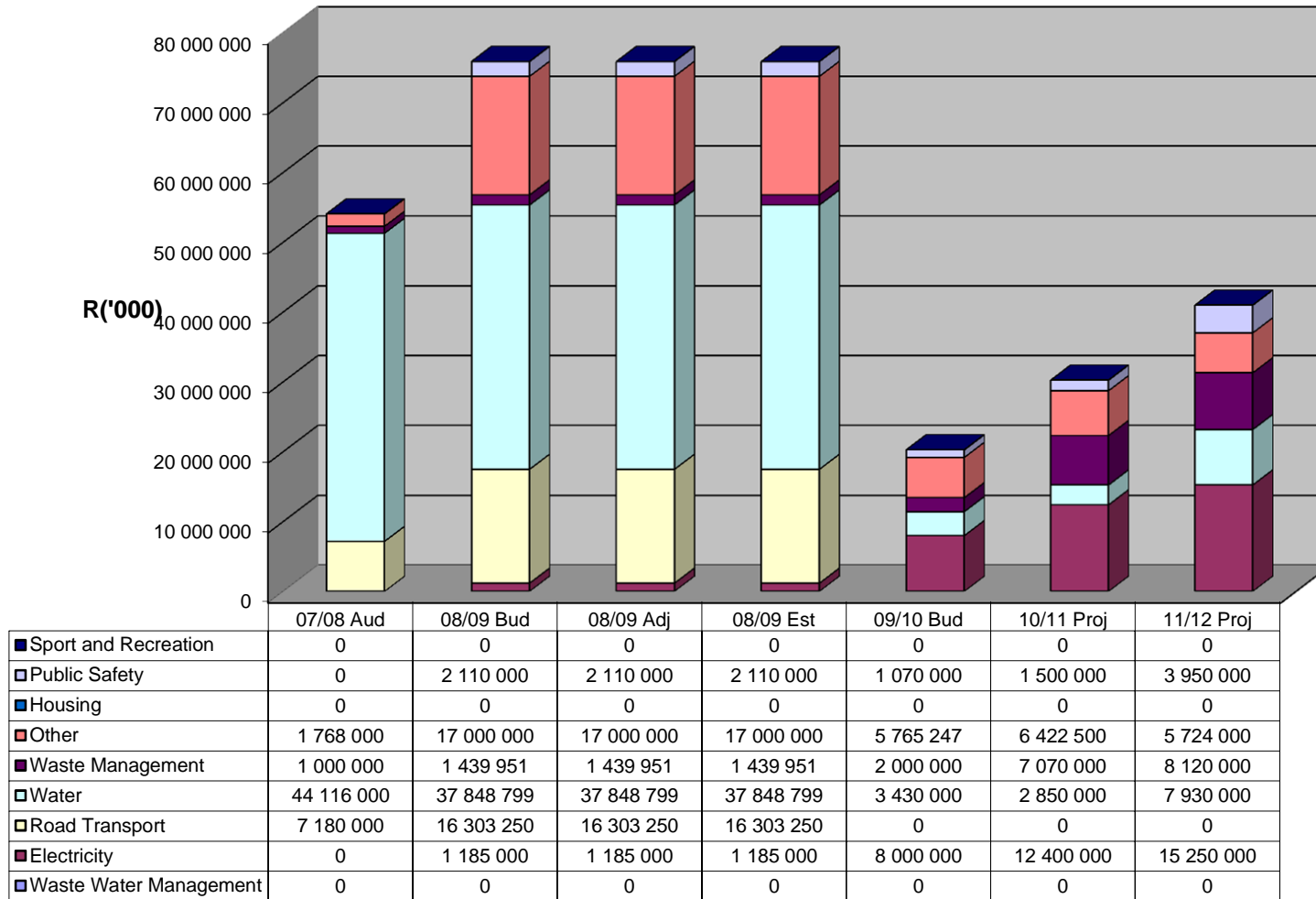


TABLE 3 CAPITAL EXPENDITURE BY VOTE	Preceding Year 2007/08	2008/09	Current Year		Medium Term Revenue and Expenditure Framework		
	Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
			C	D	Budget	Budget	Budget
	A	B			E	F	G
Executive & Council		3 350 000	3 350 000	3 350 000	2 789 753	1 610 000	1 500 000
Finance & Admin		11 670 000	11 670 000	11 670 000	1 550 000	3 130 000	3 000 000
Planning & Development	1 768 000		0	-			
Health			0	-			
Community & Social Services		1 980 000	1 980 000	1 980 000	0	876 000	
Housing			0	-			
Public Works	7 180 000	16 303 250	16 303 250	16 303 250			
Sport and Recreation			0	-			
Rural Areas			0	-			
Cleaning & Sewerage	1 000 000	1 439 951	1 439 951	1 439 951	2 000 000	7 070 000	8 120 000
Waste Water Management			0	-			
Afforestation			0	-	1 425 494	806 500	1 224 000
Water	44 116 000	37 848 799	37 848 799	37 848 799	3 430 000	2 850 000	7 930 000
Electricity		1 185 000	1 185 000	1 185 000	8 000 000	12 400 000	15 250 000
Public Safety		2 110 000	2 110 000	2 110 000	1 070 000	1 500 000	3 950 000
Parks		1 300 000	1 300 000	1 300 000	529 500	1 235 000	870 000
CAPITAL EXPENDITURE BY VOTE	54 064 000	77 187 000	77 187 000	77 187 000	20 794 747	31 477 500	41 844 000

Column Definitions:

- A. The audited actual for 2006/07 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2007/08 budget year.
- C. The budget for 2007/08 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2007/08 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2008/09 budget year.
- F. The indicative projection for 2009/10
- G. The indicative projection for 2010/11

Capital Expenditure by Major Vote (see next chart for breakdown of other)



Capital Expenditure by Minor Vote (breakdown of other from previous chart)

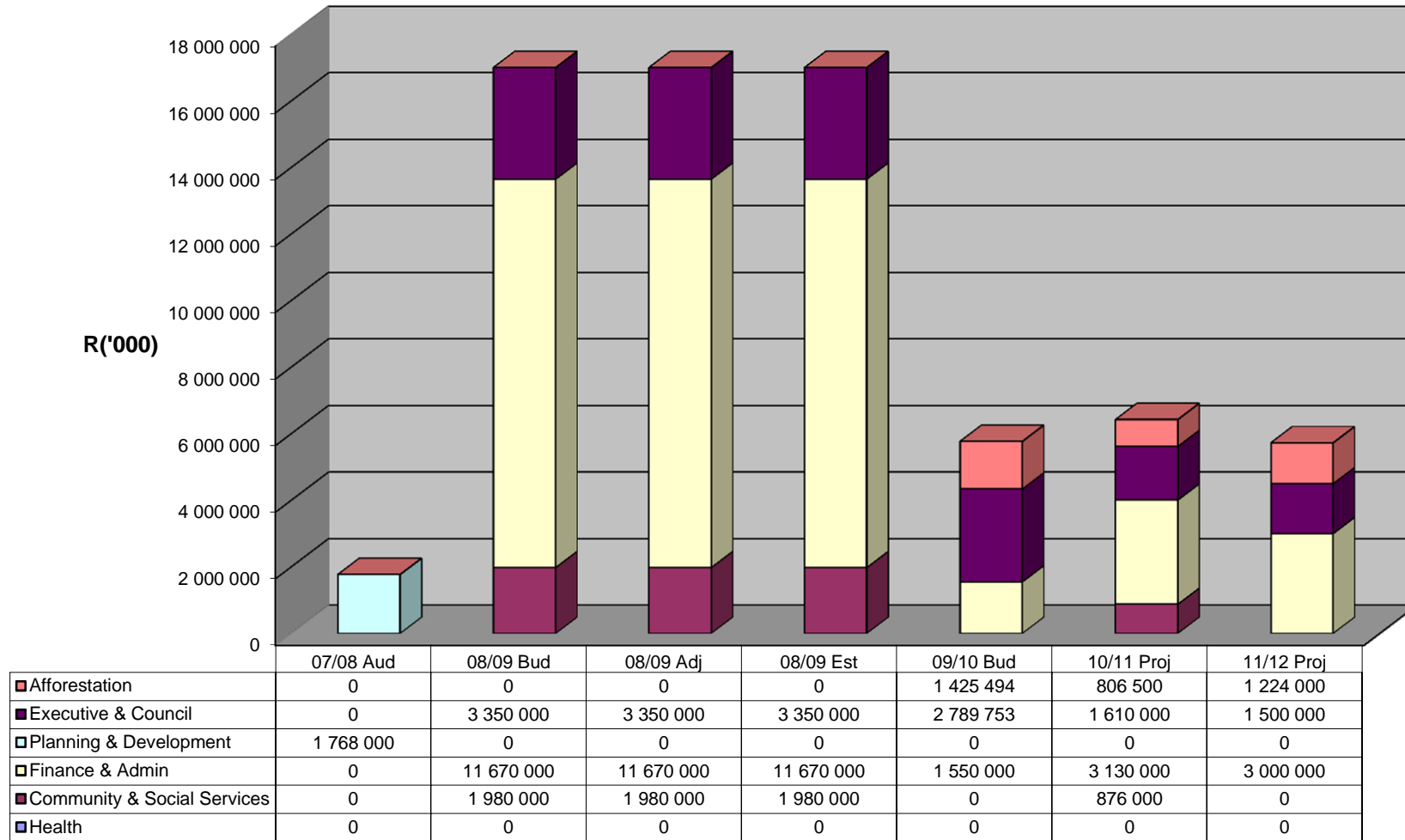


TABLE 4 CAPITAL FUNDING BY SOURCE	Preceding Year 2007/08	Current Year 2007/08			Medium Term Revenue and Expenditure Framework		
					Budget Year 2008/09	Budget Year +1 2009/10	Budget Year +2 2010/11
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget R'000 E	Budget R'000 F	Budget R'000 G
National Government							
MIG	21 781	29 259	29 259	29 259	36 185	42 547	36 528
Specific Purpose : IG Municipal Drought Relief							
Amounts carried over from previous years	14 509				-	-	
Total Grants & Subsidies - National Government	36290	29259	29259	29259	36 185	42 547	36 528
Provincial Government							
Amounts allocated / gazetted for that year							
Amounts carried over from previous years							
Total Grants & Subsidies - Provincial Government	0	0	0	0	-	-	
District Municipality							
Amounts allocated for that year	13 000	24 649	24 649	24 649	13 714	13 715	13 714
Amounts carried over from previous years							
Total Grants & Subsidies - District Municipalities	13000	24649	24649	24649	13 714	13 715	13 714
Total Government Grants & Subsidies	49290	53908	53908	53908	49 899	56 262	50 242
Public Contributions & Donations	980	600	600	600			
Accumulated Surplus (Own Funds)	3 788	23 000	23 000	23 000	20 794	17 763	28 130
External Loans							
TOTAL FUNDING OF CAPITAL EXPENDITURE	54058	77508	77508	77508	70 693	74 025	78 372

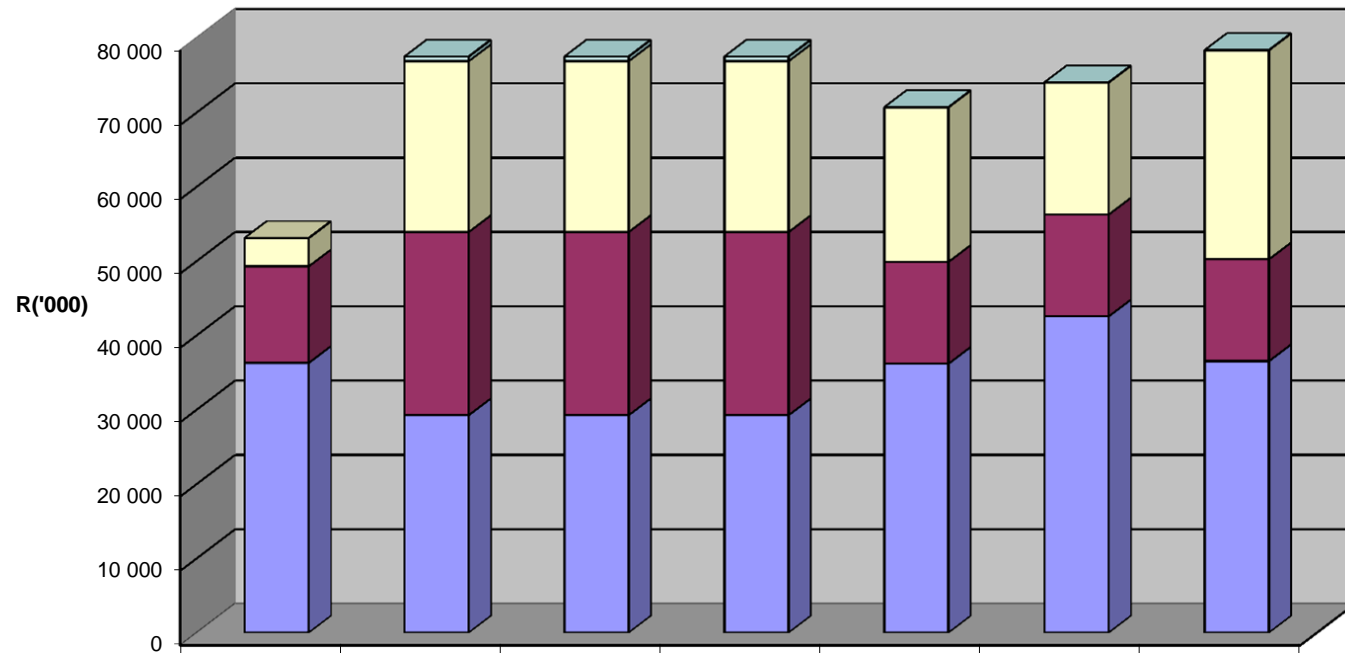
Column Definitions:

- A. The audited actual for 2006/07 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. All municipalities must follow the format above for standardisation.
2. The figures and resulting chart on page 30 are examples only.
3. Note the use of zeros where no amounts applicable.
4. Total Capital Expenditure agrees to Total Funding (see page 26)
5. The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

Capital Funding by Source



	07/08 Aud	08/09 Bud	08/09 Adj	08/09 Est	09/10 Bud	10/11 Proj	11/12 Proj
Public Contributions & Donations		600	600	600	0	0	0
Accumulated Surplus	3 788	23 000	23 000	23 000	20 794	17 763	28 130
Total Grants & Subsidies - District Municipalities	13 000	24 649	24 649	24 649	13 714	13 715	13 714
Grants - National Government	36 290	29 259	29 259	29 259	36 185	42 547	36 528

TABLE 6 OPERATING EXPENDITURE BY TYPE	Preceding Year 2007/08	Current Year 2008/09			Medium Term Revenue and Expenditure Framework		
		Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2009/10	Budget Year +1 2010/11	Budget Year +2 2011/12
	Audited Actual R'000 A				Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Operating Expenditure by Type</u>							
Employee related costs	46 657 425	49 997 118	50 681 977	50 681 977	55 668 603	58 820 968	62 020 107
Remuneration of Councillors	5 737 880	0	8 479 552	8 479 552	10 238 680	12 358 444	14 853 658
Bad debts							
Collection costs							
Depreciation							
Repairs and maintenance	10 501 492	15 749 920	13 728 513	13 728 513	15 749 920	16 663 544	17 546 884
Interest paid				0			
Bulk purchases - Electricity	16 742 550	18 762 675	18 762 675	18 762 675	33 262 500	35 191 725	37 056 887
Bulk purchases - Water	563 320	608 386	608 386	608 386	449 215	475 269	500 458
Contracted services	4 937 986	6 189 747	6 189 747	6 189 747	2 680 467	2 835 935	2 986 239
Grants and subsidies paid	10 217 195	8 047 692	8 047 692	8 047 692	2 437 116	2 578 469	2 715 128
Advertising	243 750	252 915	252 915	252 915	580 501	614 170	646 721
Audit fees	604 820	949 962	949 962	949 962	1 026 449	1 085 983	1 143 541
Bank charges	134 960	194 791	194 791	194 791	508 248	537 727	566 226
Communications	53 000	58 664	58 664	58 664	178 200	188 536	198 528
Insurance	2 111 198	2 310 094	2 310 094	2 310 094	2 054 609	2 173 780	2 288 996
Legal fees	163 240	294 144	294 144	294 144	325 934	344 839	363 115
Seminar / Conferences				0	0	0	0
Travel and Accommodation	967 818	1 420 461	1 420 461	1 420 461	1 911 850	2 022 737	2 129 942
Security	1 001 090	938 781	938 781	938 781	1 162 852	1 230 297	1 295 503
Telephone	518 041	1 133 790	1 133 790	1 133 790	1 320 146	1 396 714	1 470 740
Other Expenses	15 255 359.00	17 551 365	17 551 365	17 551 365	40 940 559	42 454 805	42 831 611
Contributions to Capital Outlay	3 354 185.00	3 000 000	3 000 000	3 000 000	3 265 857	3 265 857	3 265 857
Capital Charges	3 370 597.00	3 370 597	3 370 597	3 370 597	0	0	0
Contribution Income Reserves	891 300.00	5 417 384	5 417 384	5 417 384	4 354 323	4 615 582	4 892 517
Costs Charged Out	-481 960	-436 678	-436 678	-436 678	-1 745 043	-1 849 751	-1 960 736
				0			
Total Operating Expenditure By Type	123 545 246	135 811 808	142 954 812	142 954 812	176 370 985	187 005 628	196 811 920

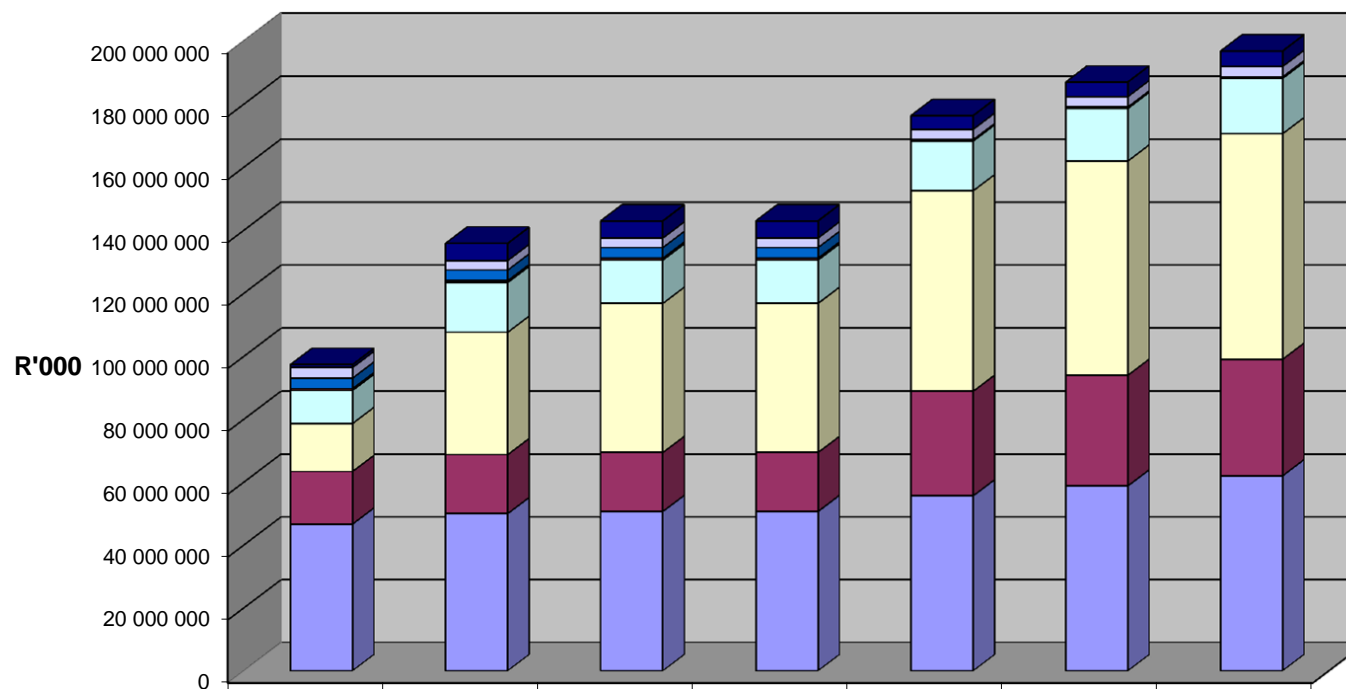
Column Definitions:

- A. The audited actual for 2007/08 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre
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- E. The amount to be appropriated for the 2008/09 budget year.
- F. The indicative projection for 2009/10
- G. The indicative projection for 2010/11

Notes:

- The line items are as per the specimen financial statements. However, for useful information to be provided "general expenses" must be broken down further. This example shows exar
- Refer to charts on pages 33 and 34.
- This agrees to Operating expenditure by Vote shown on page 23 and Operating expenditure classified by IDP goals etc on page 36.
- The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest

Operating Expenditure by Major Type (see next chart for break down of other)



	1	2	3	4	5	6	7
■ Contribution income reserves	891 300	5 417 384	5 417 384	5 417 384	4 354 323	4 615 582	4 892 517
▣ Contribution Capital Outlay	3 354 185	3 000 000	3 000 000	3 000 000	3 265 857	3 265 857	3 265 857
■ Capital Charges	3 370 597	3 370 597	3 370 597	3 370 597	0	0	0
■ Bulk purchases - Water	563 320	608 386	608 386	608 386	449 215	475 269	500 458
■ Depreciation	0	0	0	0	0	0	0
▣ Repairs and maintenance	10 501 492	15 749 920	13 728 513	13 728 513	15 749 920	16 663 544	17 546 884
▣ Other	15 255 359	38 905 729	47 385 281	47 385 281	63 620 568	67 972 683	71 529 210
■ Bulk purchases - Electricity	16 742 550	18 762 675	18 762 675	18 762 675	33 262 500	35 191 725	37 056 887
■ Employee related costs	46 657 425	49 997 118	50 681 977	50 681 977	55 668 603	58 820 968	62 020 107

Operating Expenditure by Minor Type (break down of other from previous chart)

